

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Periodic Reporting
(Proposal Two)

Docket No. RM2021-4

CHAIRMAN'S INFORMATION REQUEST NO. 3

(Issued May 4, 2021)

To clarify the Postal Service's petition to consider proposed changes in analytical principles, filed March 24, 2021, the Postal Service is requested to provide written responses to the following questions.¹ Answers to each question should be provided as soon as they are developed, but no later than May 11, 2021.

1. Please refer to the attached Excel file "CHIR No. 3_Attachment.xlsx" and the Excel file "Proposal Two FCM Letters Cost Model.xlsx" filed with the Petition. Tabs "AUTO 5-DIGIT OTHER COST," "AUTO AADC COST," and "AUTO MAADC COST" in Excel file "CHIR No. 3_Attachment.xlsx" are identical to the tabs of the same name in Excel file, "Proposal Two FCM Letters Cost Model.xlsx."
 - a. Please confirm that Automation Mixed Automated Area Distribution Center (AADC) letters pass through the following operations: "Outgoing Primary," "Outgoing Secondary," "Incoming MMP," "Incoming SCF/Primary," and "Incoming Secondaries." If not confirmed, please explain.
 - b. Please confirm that Automation AADC letters pass through the following operations: "Incoming MMP," "Incoming SCF/Primary," and "Incoming Secondaries." If not confirmed, please explain.

¹ Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposal Two), March 24, 2021 (Petition).

- c. Please confirm that Automation 5-Digit Other letters pass through the following operation: “Incoming Secondaries.” If not confirmed, please explain.
 - d. The Proposal Two model shows that letter volume bypasses mail processing operations as mail becomes more presorted. Please confirm that cost pools MODS 1PLATFRM and NDCS PLA exhibit this relationship. If not confirmed, please indicate which cost pools exhibit this relationship.
2. In Response to CHIR No. 2, question 3.a., the Postal Service states that for the MODS 1MISC and NONMODS MISC cost pools the activities are “miscellaneous in nature, including such activities as the destruction of UAA mail.” Please list all of the activities that are performed in the MODS 1MISC and NONMODS MISC cost pools.
3. In Response to CHIR No. 2, question 3.c., the Postal Service states that “[i]n Proposal Two, the Postal Service analyzed IMb scans of IOCS tallies and found evidence that supported the Commission’s treatment of allied pools such MODS 1TRAYSRT, MODS 1OPPREF, MODS 1OPTRANS, but the same was not true of MODS 1PLATFRM, MODS 1SCAN, NDCS PLA and likely NONMODS ALLIED.” Please provide this analysis and supporting workpapers
4. In Response to CHIR No. 2, question 3.b., the Postal Service states that MODS Automated Flats Sorting Machine (AFSM) 100 is a direct piece distribution pool treated as “Modeled/Proportional” to reflect that letter mail “with larger dimensions, can be processed on flats equipment.” Please provide analysis and supporting workpapers justifying the reassignment of the MODS AFSM 100 cost pool to “Modeled/Proportional.”
5. Please provide analysis and supporting workpapers justifying the reassignment of the MODS 1OPBULK cost pool to “Correlated.”

6. Please provide analysis and supporting workpapers justifying the reassignment of the MODS 1POUCHING cost pool to “Correlated.”
7. Please provide an Excel file that contains the same information and format as Excel file, “FY2020 IOCS MP FCM Presort by Rate.xlsx” for Fiscal Years 2018 and 2019.

By the Chairman.

Michael Kubayanda